

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

SHELL TRADEMARK MANAGEMENT  
BV, et al.

Plaintiffs,

No. 02-01365 EDL

v.

ORDER DENYING WITHOUT PREJUDICE  
PLAINTIFFS' MOTION FOR PRELIMINARY  
INJUNCTION

CANADIAN AMERICAN OIL COMPANY,  
INC.

Defendant.

**INTRODUCTION**

Plaintiffs Shell Trademark Management BV, Shell Oil Company and Equilon Enterprises LLC (collectively "Shell") seek a preliminary injunction barring its franchisee, Defendant Canadian American Oil Company, from selling less expensive gas under its own Touchless brand at the same station in San Francisco where it sells Shell gas. Shell argues that Canadian's sale of Touchless gas at the same station that prominently displays Shell's famous trademarks, including on a large sign on a pole which also features a sign for the Touchless brand just underneath, infringes Shell's trademarks. Canadian acknowledges that Shell's marks are famous, but counters that the dissimilarity of its Touchless trademark to Shell's and its use of disclaimers of any affiliation prevent consumer confusion. Alternatively, Canadian argues that even if there are trademark violations, enjoining all sales of Touchless gas at the station is needless overkill. The parties also dispute whether Canadian is violating its franchise agreement with Shell.

The somewhat unusual facts of this case do not fit neatly into the established categories of trademark infringement on which Shell relies: the traditional type of infringement by use of a confusingly similar mark to sell a competing product; the evolving doctrine of infringement by initial interest confusion, applied primarily

1 in the Internet context; or the recently enacted federal ban on dilution of famous marks, regardless of the  
2 likelihood of confusion or competition between the parties. See 15 U.S.C. §§ 1125(a)(1), (c)(1); Brookfield  
3 Communications, Inc. v. West Coast Entertainment Corp., 174 F.3d 1036, 1053-54, 1057, 1062-64 (9th Cir.  
4 1999). As discussed below, while Canadian's use of the Shell mark at its station where it also sells Touchless  
5 gas partakes of aspects of each of these types of trademark infringement, it also departs from each of them in  
6 significant ways.

## 7 **FACTS**

8 Canadian has operated a gas station at 1070 Oak Street in San Francisco since 1963. It also operates  
9 a popular car wash on an adjacent lot under the name "Touchless." From 1963 until 2001, Canadian operated  
10 the station under a Dealer Lease, under which Shell owned the land and the improvements and Canadian leased  
11 the facility and operated it as a Shell dealer, selling only Shell gasoline products. See Declaration of Roy  
12 Shimek Ex. A at ¶ 5.1. Canadian also owned and operated a car wash on an adjacent lot. In 2001, Canadian  
13 bought the land and improvements at the station from Shell and entered into a Retail Sales Agreement ("RSA")  
14 with Shell. During the sale of the gas station to Canadian, Shell contracted to have the underground storage  
15 tank ("UST") removed, and Canadian installed two of its own USTs, one for Shell gasoline and the other for  
16 Touchless gasoline. In addition to Shell gas, Canadian began selling Touchless gas, which retails for  
17 approximately twelve cents less per gallon.

18 Canadian installed a smaller Touchless brand price sign underneath the larger, more prominent, Shell  
19 sign on a pole in front of the station facing the street. The station contains eight gasoline pumps, six of which  
20 dispense Shell gas and two of which dispense Touchless gas. The canopy covering the gas station is painted  
21 in the red and yellow used by Shell, and covers all pumps. The Shell pumps feature Shell's distinctive red and  
22 yellow design and colors and are located in the front of the station nearest the major intersection at which the  
23 gas station sits. The red and white Touchless pumps are located behind the Food Mart, closer to the car wash  
24 and away from the intersection. The Food Mart is painted red and yellow on the side facing the Shell pumps,  
25 and white and red on the side facing the Touchless pumps. The Touchless pumps have a sign on them stating  
26 that the Touchless gasoline is not a Shell product. On at least one Touchless pump, however, Canadian placed  
27 a small placard, which advertised gas discounts in combination with a car wash, that exhibited both the  
28 Touchless mark and the Shell mark. Canadian stated at the hearing that those placards are no longer in use.  
In addition, although all receipts from the gas station were previously printed with "Roy's Shell" and "Thank

1 you for shopping Shell,” Canadian reported at the hearing that receipts for Touchless gas no longer refer to  
2 Shell.

3 Canadian produced evidence that Shell co-owns a gas station in Pinole, California, which sells Shell-  
4 branded gasoline side-by-side with another generic brand. At the Pinole station, like the Canadian station at  
5 issue, the generic diesel brand of gas is advertised on the same sign as the Shell brand.

6 In October 2001, Shell discovered that Canadian was selling Touchless as well as Shell gasoline. Shell  
7 filed this lawsuit in March 2002, alleging that Canadian engaged in trademark infringement and trademark  
8 dilution and violated the RSA. On April 2, 2002, Shell filed this motion for preliminary injunction seeking an  
9 order restraining Canadian from infringing and diluting Shell’s trademark and from selling gasoline branded as  
10 “Touchless” at Canadian’s gas station. Upon consideration of the parties’ oral arguments at the May 3, 2002  
11 hearing and their submissions, good cause appearing, and for the reasons set forth below, the Court denies  
12 Plaintiffs’ Motion for Preliminary Injunction.

### 13 **LEGAL STANDARD**

14 To obtain a preliminary injunction, the moving party must show either: (1) a combination of probable  
15 success on the merits and the possibility of irreparable injury without the injunction; or (2) that serious questions  
16 are raised and that the balance of hardships tips sharply in the moving party’s favor. Stuhlberg Int’l Sales Co.,  
17 Inc. v. John D. Brush & Co., Inc., 240 F.3d 832, 839-40 (9th Cir. 2001); Dr. Seuss Enterprises, L.P. v.  
18 Penguin Books USA, Inc., 109 F.3d 1394, 1403 (9th Cir. 1997). These are not two separate tests, but are  
19 “outer reaches of a single continuum.” Stuhlberg, 240 F.3d at 840 (quoting International Jensen, Inc. v.  
20 Metrosound U.S.A., 4 F.3d 819, 822 (9th Cir. 1993)).

### 21 **DISCUSSION**

22 In a trademark infringement action, likelihood of success on the merits is basically a question of whether  
23 there is a likelihood of confusion. “[T]he core element of a trademark infringement case is the likelihood of  
24 confusion, i.e., whether the similarity of the marks is likely to confuse customers about the source of the  
25 products.” Brookfield Communications, Inc. v. West Coast Entertainment Corp., 174 F.3d 1036, 1053 (9th  
26 Cir. 1999). In assessing the likelihood of confusion, the Court is guided by the eight factors set forth in AMF  
27 Inc. v. Sleekcraft Boats, 599 F.2d 341, 348-49 (9th Cir. 1979): (1) strength of the mark; (2) proximity or  
28 relatedness of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels  
used; (6) type of goods and the degree of care likely to be exercised by the purchaser; (7) defendant’s intent

1 in selecting the mark; and (8) likelihood of expansion of the product lines. Not all the factors are equally  
2 important or even applicable in any particular case, and additional factors may be relevant. Brookfield, 174  
3 F.3d at 1053-54. Here, the parties are direct competitors selling the same product at the same station, so the  
4 first, second and fifth factors cut strongly in Shell's favor, while the last factor is moot. Other factors help Shell  
5 somewhat (the relative lack of purchaser care exercised in the relatively low-cost purchase of gas), or are  
6 neutral (the lack of evidence of actual confusion and Canadian's intent in adopting the Touchless mark, which  
7 it already used at its car wash and at its other stations).

8 The complete absence of similarity between the Shell and Touchless marks, however, is crucial. The  
9 words, look and feel of the two marks differ sharply. As the Ninth Circuit recently stated in Brookfield: "The  
10 similarity of the marks will always be an important factor. *Where the two marks are entirely dissimilar, there*  
11 *is no likelihood of confusion.* 'Pepsi' does not infringe Coca-Cola's 'Coke.' Nothing further need be said."  
12 Brookfield, 174 F.3d at 1054 (emphasis added). At first blush, this factor alone would seem to defeat a finding  
13 of likelihood of confusion and therefore infringement under the Sleekcraft/Brookfield analysis in this case.

14 The real concern, however, is not so much the use of the Touchless mark, which is entirely dissimilar  
15 to the Shell mark and could help differentiate the two products, but rather the use of the Shell mark in close  
16 proximity to the promotion and sale of the Touchless product. In that sense, Shell's claim is more akin to  
17 infringement by misbranding or unauthorized use of the protected mark by its competitor on its rival product.  
18 Yet, Canadian is authorized to use Shell's marks at its station. And, unlike typical misbranding cases, here the  
19 pumps that dispense Touchless gas are prominently marked "Touchless" and contain a large eye-level placard  
20 displaying text measuring approximately 9 by 12 inches disclaiming any affiliation between Touchless and Shell:  
21 TOUCHLESS GASOLINE IS NOT A GASOLINE PRODUCT OF THE SHELL OIL COMPANY. IT  
22 IS AN INDEPENDENT BRAND PRODUCT THAT MEETS ALL STATE OF CALIFORNIA AND  
23 FEDERAL REGULATIONS FOR TESTING METHODS AND CERTIFICATION. On balance, at this  
24 stage, Shell has not shown at this stage that it is likely to prevail on this theory.

25 Alternatively, Shell argues that it has shown a likelihood of prevailing or at least a serious question as  
26 to initial interest confusion. While the more traditional trademark cases concerned consumer confusion that  
27 persisted through the purchase of the infringer's product, initial interest confusion addresses the use of another's  
28 trademark to attract a consumers' attention to the infringer's product in the first instance, even though the  
confusion is dispelled before any purchase. Shell relies primarily on Brookfield, where the court held that the

defendant's use of "MovieBuff" and "moviebuff.com" in metatags (hidden code) infringed the plaintiff's trademark "MovieBuff" by creating initial interest confusion. The court explained:

Web surfers looking for Brookfield's "MovieBuff" products who are taken by a search engine to "westcoastvideo.com" will find a database similar enough to "MovieBuff" such that a sizeable number of consumers who were originally looking for Brookfield's product will simply decide to utilize West Coast's offerings instead. Although there is no source confusion in the sense that consumers know they are patronizing West Coast rather than Brookfield, there is nevertheless initial interest confusion in the sense that, by using "moviebuff.com" or "MovieBuff" to divert people looking for "MovieBuff" to its web site, West Coast improperly benefits from the goodwill that Brookfield developed in its mark.... [T]he use of another's trademark in a manner calculated 'to capture initial consumer attention, even though no actual sale is finally completed as a result of the confusion, may still be an infringement.'

Id. at 1062 (quoting Dr. Seuss, 109 F.3d at 1405 (citing Mobil Oil Corp. v. Pegasus Petroleum Corp., 818 F.2d 254, 257-58 (2d Cir. 1987))).

As Shell points out, Brookfield supported its conclusion that the defendant's use of metatags and domain name in the context of the Internet violated trademark law with an analogy to a misleading road sign diverting customers to a "bricks and mortar" retailer. The court stated:

Using another's trademark in one's metatags is much like posting a sign with another's trademark in front of one's store. Suppose West Coast's competitor (let's call it "Blockbuster") puts up a billboard on a highway reading -- "West Coast Video: 2 miles ahead at Exit 7" -- where West Coast is really located at Exit 8 but Blockbuster is located at Exit 7. Customers looking for West Coast's store will pull off at Exit 7 and drive around looking for it. Unable to locate West Coast, but seeing the Blockbuster store right by the highway entrance, they may simply rent there . . . . [T]he fact that there is only initial consumer confusion does not alter the fact that Blockbuster would be misappropriating West Coast's acquired goodwill.

Id. at 1064.

Brookfield's analysis of initial interest confusion, in particular its analogy to a misleading road sign, resonates with the situation here in some significant respects. The prominent Shell sign, coupled with the Shell trade dress, including the Shell name, the seashell logo, the distinctive red, yellow and grey paint scheme and the red and yellow canopy over the pumps is intended to attract consumers looking for the Shell brand to that station. Once there, consumers who were initially attracted by the Shell sign may end up buying Touchless gas. This possibility of initial interest confusion raises a serious concern that Canadian is improperly exploiting Shell's goodwill.

Yet the similarity ends there. Unlike the example given in Brookfield of an infringer diverting its competitor's customers to the wrong highway exit by a deliberately deceptive sign, here Canadian's station actually sells Shell gasoline just as advertised. Indeed, Shell gas is pumped at six of the eight pumps at the

1 station, while Touchless gas is only available at the two pumps furthest from the street entrances. Unlike the  
2 example given in Brookfield, consumers who want to buy Shell gas do not have to get back in their car and  
3 drive to a different station at a different highway exit; they can purchase Shell right there. At the very most, if  
4 all six Shell pumps are in use, and they pull up to the Touchless pumps expecting Shell, they may have to move  
5 a few feet to the Shell pumps. Although that minor inconvenience is somewhat like the Internet cases of  
6 diversion to the wrong web site, which may be only one click away from the intended destination, the situation  
7 here would be more analogous to diversion to a web site that offered both the trademark owner's products  
8 and the competitor's on the same home page, unlike the website in Brookfield. Furthermore, since Canadian  
9 advertises both Shell and Touchless on its main sign, in contrast to Brookfield's highway sign analogy, it is  
10 possible that some consumers are initially attracted by the Touchless sign and enter the station planning to  
11 purchase the cheaper Touchless gas, rather than being diverted from Shell.

12 Also, in Brookfield itself, the infringing domain name and metatag were very similar to the plaintiff's  
13 mark, unlike here. And all of the cases on initial interest confusion that Brookfield cites with approval also  
14 involved similar marks. See Green Products Co. v. Independence Corn By-Products Co., 992 F. Supp. 1070,  
15 1076 (N.D. Iowa 1997) (finding a strong similarity between Green Products' trademark and the defendant's  
16 domain name, "greenproducts.com."); Securacomm Consulting, Inc. v. Securacom Inc., 984 F. Supp. 286,  
17 298 (D. N.J. 1997) rev'd on other grounds, 166 F.3d 182 (3rd Cir. 1999), appeal after remand, 224 F.3d  
18 273 (3rd Cir. 2000) (finding similarity between the plaintiff's mark, "Securacomm," and the defendant's mark,  
19 "Securacom"); Kompan A.S. v. Park Structures, Inc., 890 F. Supp. 1167, 1180 (N.D. N.Y. 1995) (finding  
20 that similarity between "Kompan" and "Karavan" marks "will mistakenly lead the consumer to believe there  
21 is some connection between the two. . ."); Blockbuster Entertainment Group v. Laylco, Inc. 869 F. Supp.  
22 505, 513 (E.D. Mich. 1994) (finding that the names "Video Busters" and "Blockbuster" were similar);  
23 Jordache Enters., Inc. v. Levi Strauss & Co., 841 F. Supp. 506, 514-15 (S.D. N.Y. 1993) (finding similarity  
24 between the plaintiff's mark, "Jordache Basics 101," and the defendant's mark, "501"); Sara Lee Corp. v.  
25 Kayser-Roth Corp., 1992 WL 436279 at \*24 (W.D. N.C. Dec. 1, 1992) (finding similarity between the  
26 plaintiff's mark, "L'eggs," and the defendant's mark, "Leg Looks"); Television Enter. Network, Inc. v.  
27 Entertainment Network, Inc., 630 F. Supp. 244, 247 (D. N.J. 1986) (finding the parties' use of mark, "TEN,"  
28 confusingly similar); Koppers Co. v. Krupp-Koppers BmbH, 517 F. Supp. 836, 844 (W.D. Pa. 1981) (finding  
similarity between the plaintiff's mark, "Koppers," and the defendant's mark, "Krupp-Koopers"); Forum Corp.

1 of North America v. Forum, Ltd., 903 F.2d 434, 442, n. 2 (7th Cir. 1990) (finding that the district court erred  
2 in finding that the marks, “The Forum Corp.” and “The Forum Ltd.” and their derivatives were dissimilar).

3 Shell has pointed to two cases (both from other circuits) analyzing likelihood of confusion where the  
4 plaintiff’s and defendant’s marks were dissimilar. Cartier, Inc. v. Deziner Wholesale L.L.C., 55 U.S.P.Q.2d  
5 1131 (S.D. N.Y. 2000) (granting summary judgment in favor of Cartier and granting permanent injunction  
6 against Deziner); Liquid Glass Enters., Inc. v. Dr. Ing. h.c.f. Porsche AG, 8 F. Supp. 398 (D. N.J. 1998)  
7 (granting preliminary injunction against the plaintiff).<sup>1</sup> In Cartier, the defendant packaged its knockoff sunglasses  
8 in boxes prominently marked “Cartier,” with the defendant’s name buried in the fine print and a disclaimer of  
9 affiliation in even tinier print. Cartier, 55 U.S.P.Q.2d at 1132. In Liquid Glass Enters., Inc. v. Porsche, 8 F.  
10 Supp. 2d 398, 399-400 (D. N.J. 1998), the defendant, a manufacturer of car polish, ran magazine ads  
11 prominently featuring a Porsche car, with the famous “Porsche” mark on its side, dwarfing a small illustration  
12 of the defendant’s polishing products in a lower corner. Similarly, here, the Shell sign and colors loom largest  
13 at the station, and the Shell canopy extends over the Touchless pumps as well as the Shell pumps. But the  
14 cases also differ significantly because Canadian has not buried its distinct Touchless signs or disclaimers in tiny  
15 print.

16 Shell also argues that it is likely to prevail or at least has raised a serious question regarding trademark  
17 dilution. Under the 1996 federal Anti-dilution Act, the owner of a famous mark may obtain an injunction  
18 against another’s commercial use of the same or similar trade mark if such use causes dilution by “lessening the  
19 capacity of a famous mark to identify and distinguish goods or services....” 15 U.S.C. § 1127. Unlike  
20 traditional infringement, neither likelihood of consumer confusion nor competition between the parties is  
21 necessary to obtain an injunction. Id. Dilution takes the form of either blurring or tarnishment.

22 Because Shell need not show a likelihood of consumer confusion and its mark is concedely famous,  
23 at first blush Shell appears to have a stronger likelihood of prevailing on dilution by blurring than on its other  
24 theories. Yet, the circumstances here do not fit the “classic case of dilution by blurring [which] posits that the  
25 products are neither competitive nor related in the sense of producing confusion as to affiliation or connection  
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28 Shell also argues that Mobil Oil Corp. v. Pegasus Petroleum Corp., 828 F.2d 254 (2nd Cir. 1987)  
involves dissimilar marks. The court, however, found to the contrary that the defendant’s “Pegasus” mark  
evoked the pictorial representation of Pegasus depicted in Mobil’s famous symbol of the mythical Greek  
flying horse. Mobil Oil, 818 F.2d at 257.

.... its primary purpose was to apply in cases of widely differing goods.” 4 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 24.94.2 at 24-189 (4th ed. 2002). Here, the products are plainly competitive, the marks are distinct, and the danger does appear to be confusion as to affiliation, at least initially. Still, given the elasticity of the doctrine of dilution, Shell has raised a serious question as to dilution by blurring.

The Court is not persuaded, however, that Shell has raised a serious question as to dilution by tarnishment. Shell points out that Touchless simply purchases its gas on the open market without exercising any quality control. Yet Shell has not made any showing that quality control is necessary, in addition to governmental regulation, much less that Touchless gas is inferior or otherwise has negative associations that will spill over to Shell. Cf. Clinique Laboratories, Inc. v. DEP Corp., 945 F. Supp. 547, 562 (S.D.N.Y. 1996) (a claim that a product is a “cheap knockoff” without showing of shoddy or unwholesome quality insufficient to succeed on claim of tarnishment). Whether Touchless’s off-brand gas is poor quality is a question of fact on which Shell has presented no probative evidence. Indeed, the Touchless name itself apparently has some positive association in the mind of Bay Area customers, who have patronized its successful carwash operation at the station in question, as well as its two other gas stations that sell Touchless gas exclusively.

In conclusion, Shell has raised a serious issue as to whether Defendant is in effect improperly trading on Shell’s goodwill through the use of Shell’s prominently displayed sign and trade dress in close proximity to Touchless gas, either by confusing consumers about whether Touchless gas is affiliated with Shell, at least initially, or by diluting the distinctiveness of Shell’s mark. To do so is to run afoul of the two basic goals of trademark protection, especially the goal of protecting the seller’s investment in goodwill:

In principle, trademark law, by preventing others from copying a source-identifying mark, ‘reduce[s] the customer’s costs of shopping and making purchasing decisions,’ for it quickly and easily assures a potential customer that this item -- the item with this mark -- is made by the same producer as other similarly marked items that he or she liked (or disliked) in the past. At the same time, the law helps assure a producer that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product.

Qualitex Co v. Jacobson Products Co. 514 U.S. 159, 163-64 (1995).

Finally, Shell argues that Canadian’s breach of several provisions of the RSA supports its requested injunctive relief. Under the RSA, Canadian agreed to certain terms and conditions under which it would purchase Shell gasoline and resell it at the Oak Street gas station. While Shell’s breach of contract claim may have merit, the Court need not decide that issue because a breach of contract claim does not support preliminary injunctive relief where, as here, it appears likely that monetary damages would adequately



1 compensate the plaintiff. See Cotter v. Desert Palace, Inc., 880 F.2d 1142, 1145 (9th Cir. 1989) (“Injuries  
2 compensable in monetary damages are ‘not normally considered irreparable.’”).

### 3 **SCOPE OF PRELIMINARY INJUNCTION**

4 Shell seeks a preliminary injunction against all sales of Touchless gas at the station in question. The  
5 proposed injunction sweeps more broadly than necessary to address the claimed violations of trademark law.  
6 The potential for consumer confusion between Shell and Touchless gas could be adequately addressed during  
7 the brief interim until trial by measures such as moving the Touchless sign from its current proximity to the Shell  
8 sign, repainting the canopy so that the Shell colors do not extend over the area above the Touchless pumps,  
9 and ensuring the adequacy and prominence of disclaimers on the pumps and at the point of payment.

10 Although Shell has raised serious questions on the merits, the injunction that it seeks is not supported  
11 by the balance of hardships tipping sharply in its favor, as required. A complete ban on sales of Touchless gas  
12 would work a hardship on Canadian, who installed a separate underground tank and made efforts to educate  
13 consumers about its availability. Shell has not produced any evidence of hardship, such as a dramatic drop in  
14 sales as a result of consumer confusion, whether initial or persistent, or any incipient blurring of its mark.  
15 Indeed, the undisputed evidence that Shell permits sale of a competing brand of diesel gas at another station  
16 that it co-owns, advertised by a sign that similarly juxtaposes Shell and the other brand, cuts against Shell’s  
17 claim that its hardship outweighs Canadian’s. Also, while this is not a dispute between David and Goliath,  
18 Canadian, despite its grand name, only owns or operates eleven stations in the San Francisco Bay area,  
19 whereas Shell is a multinational company whose gas is sold all over the United States. Alternatively, even  
20 assuming that Shell has shown a likelihood of prevailing on one of its trademark infringement theories, thereby  
21 triggering the presumption of irreparable harm, the injunction sought by Shell sweeps too broadly and is not  
22 sufficiently tailored to the harm at issue.

23 Nonetheless, as the Court informed the parties at the hearing on Shell’s motion for a preliminary  
24 injunction, Shell has shown at a minimum that it raised serious questions on the merits, and is therefore entitled  
25 to a more tailored injunction that would guard against consumer confusion pending trial, without working a  
26 disproportionate hardship on Canadian. The Court advised the parties that it was prepared to grant an  
27 injunction enjoining the specific elements of the gas station that Shell had complained about, such as the  
28 juxtaposition of the Shell and Touchless signs on the pole, the placement of the Shell colors on the canopy over  
the Touchless pumps, the receipts using the Shell name, and the small signs on the pumps for discounted car

1 washes that contain both the Shell and Touchless marks. (Canadian represented at the hearing that it has  
2 already eliminated the use of Shell's trademark on the receipts and the pump signs.) The Court has also  
3 offered to set a trial in less than six months. For this short period, these targeted remedies should be adequate.

4 Shell, however, both initially at the hearing, and in its post-hearing brief, rejected a more narrowly  
5 tailored preliminary injunction, and made clear that if the Court is unwilling to grant its request for a complete  
6 ban on sales of Touchless gas at the station pending trial, it prefers no preliminary injunction. See Pls.' Supp.  
7 Br. on Mot. for Prelim. Inj. at 1:20-21; 2:14-18. Shell argues that courts flatly disfavor disclaimers as a remedy  
8 for trademark infringement, including dilution, citing Liquid Glass, 8 F. Supp. 2d 398, Paccar v. Telescan, 115  
9 F. Supp. 2d 772 (E.D. Mich. 2000), Simon Prop. Group, L.P. v. Mysimon, Inc., 2001 U.S. Dist LEXIS 852  
10 (S.D. Ind. 2001), OBH, Inc. v. Spotlight Magazine, Inc., 86 F. Supp. 2d 176 (W.D. N.Y. 2000) and Cartier,  
11 55 U.S.P.Q. 2d 1131. The Ninth Circuit, however, has taken a more nuanced approach, examining the  
12 specific facts such as the size and placement of the disclaimer, and approving the use of disclaimers in  
13 injunctions in appropriate circumstances.<sup>2</sup> Adray v. Adry-Mart, 76 F.3d 984, 990-91 & n. 7 (9th Cir. 1996)  
14 ("Although some studies have suggested that disclaimers have little or no effect in preventing consumer  
15 confusion, see [Home Box Office, Inc. v. Showtime/The Movie Channel, 832 F.2d 1311, 1315-16 (2nd Cir.  
16 1987)] (reviewing literature), we have approved their use in a variety of circumstances.")

17 In view of Shell's rejection of the more limited injunction that the Court believes would be justified, the  
18 Court declines to issue an injunction that neither party wants. Accordingly, Shell's motion for a preliminary  
19 injunction (docket number 3) is denied without prejudice. The Court will expedite trial on the merits.

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21 IT IS SO ORDERED.

22 Dated: May 21, 2002

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ELIZABETH D. LAPORTE  
United States Magistrate Judge

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28 While Shell's argument that disclaimers are not a remedy for dilution has some merit, Shell's  
tolerance of similar juxtaposition of the Shell trademarks and a different diesel gas brand at its own Pinole  
station belies any urgent need for a preliminary injunction to address potential dilution.

**United States District Court**

For the Northern District of California

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